



# NEWSLETTER



**December 2011**

## **Washington State FSA Office**

### **Judy Olson, State Executive Director**

316 West Boone Avenue,  
Suite 568  
Spokane, WA 99201-2350

509-323-3000 phone  
509-323-3074 fax  
[www.fsa.usda.gov/WA](http://www.fsa.usda.gov/WA)

### **Hours**

Monday - Friday  
8:00 a.m. - 4:30 p.m.

### **State Staff**

Melissa Cummins,  
Chief Farm Loans

Rod Hamilton,  
Chief Farm Programs

Mike Mandere,  
Chief Administration

County office contact  
information can be found at:  
[http://www.fsa.usda.gov/Internet/FSA\\_File/sto\\_dir.pdf](http://www.fsa.usda.gov/Internet/FSA_File/sto_dir.pdf)  
OR  
<http://offices.sc.egov.usda.gov/locator/app?state=wa&agency=fsa>

**NOTICE: Due to funding cuts, no paper newsletters will be printed until FSA has a budget and funding to print and mail newsletters.**

## **County Newsletters to Return in January**

Beginning in January, FSA county offices will begin publishing county specific newsletters again. They will be electronic only. The newsletters will be posted on the state FSA website <http://www.fsa.usda.gov/wa>. Producers may contact their county offices to inquire about signing up to receive email notification with a link when their county's newsletter is posted.

## **2012 DCP/ACRE Sign-up**

2012 Direct and Counter-Cyclical Program (DCP) enrollment begins Jan. 23, 2012 and ends June 1, 2012.

### **IMPORTANT REMINDERS:**

- All producers with a crop share interest on DCP base acres must have a share in direct and counter-cyclical payments.
- Changes on the farm before or after enrolling in DCP/ACRE must be immediately reported to the local FSA office. Examples: ownership changes, producer changes (individuals and entities, and change in crop shares arrangements.

No changes are allowed after September 30, 2012.

## **Supplemental Revenue Assistance Program (SURE)**

The signup for 2010 losses in the SURE program runs through June 1, 2012.  
The Supplemental Revenue Assistance

Program (SURE) provides benefits for farm revenue losses due to natural disasters that occurred in the crop year 2010. SURE is available to eligible producers with qualifying losses on:

- farms with at least a 10% revenue loss on one crop in counties affected by a Secretarial disaster declaration. All counties in Washington are eligible except Asotin, Clallam, Kitsap, Pend Oreille, Spokane, Stevens. A map of eligible counties can be found [here](#).
- any farm which had a 50 percent or more production loss due to disaster-related conditions, for the crop year.

## **Common Acreage Reporting Dates**

Implementation of common acreage reporting dates is a major step by the Risk Management Agency (RMA) and Farm Service Agency (FSA) to reduce the duplication of reporting to FSA and crop insurance agents. Also, the common reporting dates between the two agencies will help reduce USDA operating costs by allowing the sharing of similar data across participating agencies within USDA.

This change does not reduce or modify the programs or services that RMA or FSA provides, but will enable most crop insurance agents and FSA office staff to collect information in a more uniform and efficient manner.

Washington producers may notice changes beginning with the 2012 acreage reporting. Producers of insured crops are encouraged to work closely with their agents to ensure they comply with the requirements of their insurance policies with respect to timely reporting acreages. The first change for FSA

**Continued on next page**

## Program Signup Deadlines

**Jan. 30, 2012** - LIP  
**Jan. 30, 2012** - LFP  
**Jan. 30, 2012** - ELAP  
**Jan. 31, 2012** - Lamb LDPs

## NAP Deadlines 2012 Crop Year

**March 15, 2012** - Spring planted crops, small grain forages (including wheat, barley, and oats including annual pea forage), mustard, radish (for seed or fresh), and summer planted buckwheat

## Other Important Dates

**Dec. 26, 2011** - Office closed for Christmas holiday.

**Jan. 2, 2012** - Office closed for New Year's Day holiday.

**Jan. 16, 2012** - Martin Luther King holiday.

**Jan. 23, 2012** - DCP and ACRE enrollment begins.

**Jan. 30, 2012** - Signup ends for LFP, LIP and ELAP.

**Jan. 31, 2012** - Deadline to apply for Unshorn Lamb Pelts Loan Deficiency Payment.

## Acreage Reporting Continued

producers is a change in the reporting season deadline from the traditional June 30 to July 15.

The most noticeable change begins in December 2012 and January 2013. FSA will begin accepting acreage reports for insured fall seeded crops beginning with the 2013 crops of wheat, barley, canola, dry peas, mint, onions and alfalfa seed to allow producers to meet their insurance obligations by December 15. Producers with insured apples, blueberries, cherries, cranberries, apricots, peaches, nectarines, grapes, pears and plums will be required to report by January 15. All other spring crops and uninsured crops must be reported by July 15.

The ability to report crop acreages to either RMA or FSA allows producers to meet the requirements of both agencies with one report. The local FSA office is accepting acreage reports for planted crops. If additional crops are planted in the spring, those acres must be reported by July 15, 2012. Producers may lessen their time spent in the FSA office next summer by providing an acreage report for fall planted crops now. Also, producers of perennial crops can get a big jump on 2012 crop by filing acreages now. Producers will only have to report any changes later if they occur.

Producers with planted acres are encouraged to adopt the new reporting dates now.

## Disaster Assistance Programs

FSA disaster assistance programs include:

- Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP)
- Livestock Forage Disaster Program (LFP)
- Livestock Indemnity Program (LIP)
- Supplemental Revenue Assistance

Payments (SURE) Program  
•Tree Assistance Program (TAP)

To be eligible for the SURE, TAP and ELAP programs, producers must have purchased catastrophic risk protection insurance for all insurable crops, and NAP coverage for non-insurable crops. Signup ends Jan. 30, 2012, for LFP, LIP, and ELAP. Producers have 90 days from the time a loss is apparent to file an application for TAP.

In the case of honey, the term "farm" means all bees and beehives in all counties that are intended to be harvested for a honey crop by the eligible producer.

Producers who meet the definition of Socially Disadvantaged, Limited Resource or Beginning Farmer or Rancher are not required to purchase the catastrophic insurance or NAP.

## New AGI Forms Required for 2012 Participants

FSA and NRCS program participants, including all members of participating entities, must meet certain Adjusted Gross Income (AGI) requirements to qualify for benefits. Starting for the 2012 crop year, a new AGI form has been developed that both reports whether an applicant or member meets the AGI requirements and authorizes the IRS to confirm that information for FSA.

The new form also reflects an additional AGI limitation applicable only to 2012 direct payments. In addition to the \$500,000 average nonfarm AGI and the \$750,000 average farm AGI limitation, a \$1 million average AGI limitation will be applicable for 2012 direct payments.

New this year, most power-of-attorney authorizations will not work for this form. So the form will have to be signed by the participant or entity member themselves. IRS will not accept FSA power-of-attorney forms. These new AGI forms are available today from your county office or on the FSA internet site.

**More on next page**

## **AGI - 2009 and 2010**

Producers who receive another letter concerning Adjusted Gross Income (AGI) for 2009 and 2010 will need to complete the CCC-931 form enclosed with the letter. The completed form should be returned to the Farm Service Agency national office, as indicated in the letter.

## **IRS Form 1099-G**

Producers annually receive CCC-1099-Gs detailing payments from the Commodity Credit Corporation. The annual report of program payments on the CCC-1099-G is a service intended to help FSA customers report taxable income. It is not intended to replace producers' responsibility to report income to the IRS.

FSA staff cannot interpret IRS regulations or advise producers about which payments to report on their income tax returns. However, county office staff can review payments for accuracy of data.

## **Spousal Signatures**

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the county office staff by either spouse.

There are exceptions to the rule, where spouses may not sign on behalf of each other for interests in partnerships, joint ventures, corporations or other similar entities.

Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents.

## **LDPs for Unshorn Lamb Pelts**

Eligible producers have until Jan. 31, 2012, to apply for Loan Deficiency Payments (LDP) for unshorn pelts produced during the 2011 crop year.

Eligible producers must have beneficial interest in the pelts, owned the lamb for at least 30 calendar days before the date of slaughter, and sell the unshorn lamb for immediate slaughter. Producers must also comply with wetland conservation and highly erodible land conservation provisions on all lands they operate or have an interest.

To qualify for payment, pelts must have been produced by an eligible producer from live unshorn lambs of domestic origin in the United States.

## **Commodity Loans**

Commodity loans, or Marketing Assistance Loans, are available to producers who share in the risk of producing a crop. To be eligible, producers must maintain beneficial interest in the crop through the time of application. Once beneficial interest in a commodity is lost, the commodity is ineligible for a loan — even if a producer regains beneficial interest.

Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans. The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity on certification.

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should

remember that they are responsible for maintaining the quality of the grain through the term of the loan.

## **Farm Loan Programs**

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. Producers who have trouble getting needed credit may be eligible for an FSA direct or guaranteed loan.

Commercial lenders who may be reluctant to extend or renew loans when borrowers have had a setback may be willing to lend when backed with an FSA guarantee.

Producers, who cannot obtain commercial credit, may be eligible for a farm ownership loan or farm operating loan direct from FSA. Direct loans may be made for a maximum of up to \$300,000. Guaranteed loans have a maximum limit of \$1,214,000.

The one-time loan origination fee charged on FSA guaranteed loans has increased from 1 percent to 1.5 percent of the guaranteed portion of the loan for loans obligated after October 1, 2011.

## **Loans for the Socially Disadvantaged**

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for Socially Disadvantaged Applicants. A socially disadvantaged applicant is part of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of a group.

**Continued on next page**

## Loans Continued

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

## USDA RMA Funds Rural Tax Education Program

USDA's Risk Management Agency (RMA) announces the availability of a newly created website titled: Rural Tax Education ([www.ruraltax.org](http://www.ruraltax.org)) providing farmers and ranchers a resource for agricultural related income and self-employment tax information that is both up-to-date and easy to understand.

The RMA funded project was a collaborative effort of 15 land grant universities across the nation and hosted by Utah State University. The home page lists upcoming informational webinars. There is no charge for the webinars and written material will also be available before the online training.

The website recently added "Tax Guide for Owners and Operators of Small and Medium Size Farms" and offers several fact sheets and samples, including Tax Topics; Depreciation and Expensing; Farm, Farming and Who's a Farmer for Tax Purposes; Sample Tax Return; and Small Farm Tax Guide.

## Crop Insurance Program Dates

The Risk Management Agency reminds producers of winter and spring sales closing dates for the Multiple Peril Crop Insurance (MPCI)

programs, the Adjusted Gross Revenue Pilot (AGR) available in select Northwest counties, and the Adjusted Gross Revenue-Lite (AGR-Lite) programs available throughout the Pacific Northwest. AGR and AGR-Lite cover most farm-raised crops, animals, and animal products.

Upcoming regional sales closing dates:

**January 31, 2012** - Final date to obtain or change AGR insurance in select counties. Final date to submit required documents to continue or change 2012 AGR-Lite insurance for existing policy holders.

**February 1, 2012** - Final date to obtain or change crop insurance coverage for 2012 spring planted onions and cabbage.

**March 15, 2012** - Final date to obtain or change all other spring seeded MPCI (excluding wheat in counties with Fall and Spring planted types). Final date to obtain 2012 AGR-Lite insurance for new application/enrollment policies.

Current policyholders and uninsured growers must make all of their decisions on crop insurance coverage, especially which crops to insure and which level and type of coverage to obtain, prior to the sales closing date. Note: Billing dates for Federal crop insurance policies were changed effective for 2012. Most billing dates were moved up to August 15.

RMA reminds producers of the important link between Federal crop insurance and Farm Service Agency (FSA) disaster programs. For non-insurable crops, a producer may buy coverage under the Noninsured Crop Disaster Assistance Program by the closing date. For further information

about timetables, please contact the local FSA County Office.

Producers are encouraged to visit their crop insurance agent soon to learn specific details for the 2012 crop year. Federal crop insurance program policies are sold and delivered solely through private crop insurance companies and agents. A list of crop insurance agents is available at all USDA service centers or on the RMA Web site at

<http://www3.rma.usda.gov/tools/agents>

## Move with FSA to Instant Electronic Information

The USDA Farm Service Agency offices are moving toward a paperless operation.

Producers can now enroll in the new GovDelivery system for notices, newsletters and electronic reminders and discontinue their slow and costly paper copies received through the mail.

FSA, like many other organizations, is working smarter and more efficiently. Conversion to electronic notifications via email helps conserve resources and save taxpayer dollars.

County Committee ballots will continue to be mailed to all eligible producers.

Subscribe now to receive free e-mail updates by going to <http://www.fsa.usda.gov/subscribe> or use the box "Sign up for updates" on the FSA homepage. Select "email updates" in the lower right navigation box and then select updates by state and county, then select the "+" next to Washington and the interested counties.